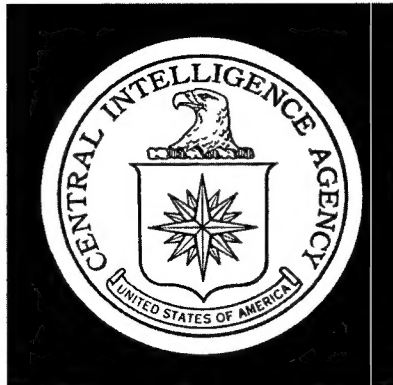


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DIRECTORATE OF
INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

State Department review completed

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16 November 1966

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Information as of 1600

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HIGHLIGHTS

Fighting in Operation ATTLEBORO in Tay Ninh Province remains light. Premier Ky has completed the replacement of dissident southern ministers in his cabinet. Ky is rumored to be considering the removal of the only southerner with significant military command, General Dang Van Quang, commander of IV Corps.

I. The Military Situation in South Vietnam:
Only light contact between allied and Communist forces was reported today in Tay Ninh and northernmost Quang Tri provinces. Another 400 tons of rice were captured in Operation ATTLEBORO, bringing the captured total to nearly 2,000 tons (Paras. 1-2).

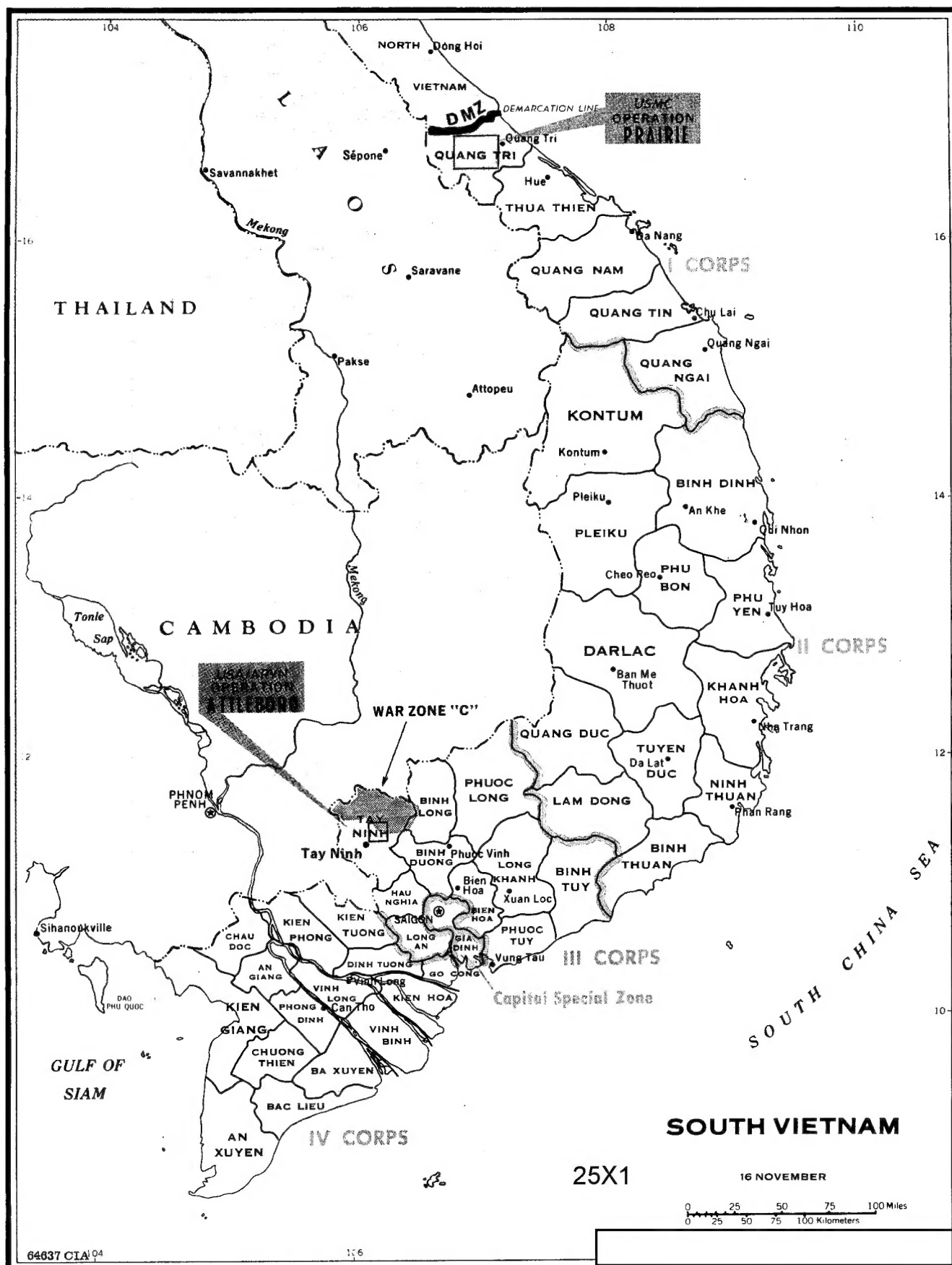
II. Political Developments in South Vietnam:
Premier Ky has decided upon most of the replacements for the dissident southern ministers who have resigned from the cabinet (Paras. 1-4). Current attitudes of concern among Vietnamese in the provinces have recently been reported by the US Mission (Paras. 5-7).

III. North Vietnamese Military Developments:
There is nothing of significance to report.

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V. Communist Political Developments: A high-level Polish delegation is scheduled to go to Hanoi this month (Paras. 1-2). Hanoi ignores Chinese in recounting the list of countries willing to send foreign volunteers to Vietnam (Para. 3). Overseas Chinese in Vietnam are volunteering for army (Para. 4). Front official in Cairo was misquoted last month when he reportedly said Front would soon establish a government in South Vietnam (Para. 5).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Only light sporadic clashes with Viet Cong troops were reported today by the American forces of Operation ATTLEBORO in central Tay Ninh Province. Another Communist base camp was located early today about 14 miles northeast of Tay Ninh city. A total of 400 tons of rice and 17 tons of salt was seized. This raised to almost 4 million pounds the total amount of Communist rice confiscated since this operation began on 14 October.

2. Scattered skirmishes were reported today between Communist troops and US Marines of the six-battalion search-and-destroy Operation PRAIRIE in northernmost Quang Tri Province. In two separate clashes just south of the DMZ, 15 enemy soldiers were killed. American casualties were one killed and 19 wounded; this includes 15 Americans wounded when their vehicle hit a mine and burned. Cumulative casualties since this operation began on 3 August now total 1,227 Communists killed as compared with US totals of 172 killed and 787 wounded.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. Premier Ky has decided on most of the replacements for the dissident southern cabinet ministers. Civilian Directorate members Tran Van An and Nguyen Van Huyen today told US Embassy officials that Nguyen Van Tho, a dental surgeon, will be the new education minister; Colonel Ho Van Di Hinh, currently director of the army quartermaster corps, will be the new youth minister; and Nguyen Van Phong, a special assistant to Premier Ky, will be the new social welfare minister. All have been identified as southerners. The status of former social welfare minister Lieng had been unclear until today's report of his replacement.

2. A replacement for former economy minister Au Truong Thanh, the first of the four dissident southern ministers to leave the cabinet, has proven more difficult. According to the same Directorate members and to Bui Diem, a confidant of Premier Ky, the ministry is to be split into its three components--commerce, industry, and finance. The current finance director will remain as head of this department, but Thanh himself formerly headed the commerce and industry departments. La Thanh Nghe, a prominent Constituent Assembly deputy, will be the new industry head, but the commerce department post has not yet been filled. These three components will be coordinated by an economic council rather than by a minister. The council will consist of Premier Ky as chairman, National Bank governor Hanh as secretary general, and the three department heads as members.

3. As things now stand, four of the seven southern-oriented ministers who submitted their resignations last month have now been replaced, one way or another. The other three, according to all evidence, will remain. Regarding those remaining, however, it is doubtful that any significant degree of confidence exists between Premier Ky and the senior southerner, Deputy Premier Nguyen Luu Vien. Although the replacements named by Ky are all southerners and the uncertainty that has

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been surrounding the cabinet has now been removed, the present state of affairs does not represent any net gain for southern political interests, which have been focusing on the removal of police director Loan and a general reduction of northern power in the government.

4. In fact, there are some indications that north-south squabbling is continuing. For example, Cong Chung, a Vietnamese newspaper reportedly owned by police director Loan, has begun a series of articles castigating former economy minister Thanh for dishonesty and corruption, and for instituting policies that have only benefited the Communists. On the southern side, Deputy Premier Vien reportedly remains determined to press for the removal of some key northerners, including Bui Diem, whom he accuses of flagrant corruption. Finally, there are the various indications that Premier Ky is preparing to remove General Dang Van Quang as IV Corps commander--the only remaining southerner with a significant troop command. Within the present political context, the removal of Quang contains at least the potential for solidifying southern civilian and military elements, and for spreading regional tensions in the armed forces.

Popular Attitudes

5. In its most recent weekly report, the US Mission in Saigon notes that three attitudes appear to be developing among Vietnamese in the provinces. The first is a concern that the resignation of Economy Minister Thanh reflects a north-south split in the government, and a concern that more inflation problems can now be expected. In this regard, there are some reports of price increases in the provinces, and of some hoarding by merchants who are anticipating higher prices during the upcoming Christmas and Tet holidays.

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6. The second trend is an increasing concern over the government's ability to provide security, as illustrated by the Viet Cong shelling of Saigon during the 1 November National Day celebrations. This feeling is apparently stronger in areas that have recently experienced a step-up in Viet Cong activities, such as Tuyen Duc Province in II Corps, Binh Tuy and Tay Ninh provinces in III Corps, and Phong Dinh Province in IV Corps.

7. The third tendency is a general feeling of uncertainty or confusion over the achievements of the Manila Conference. This feeling apparently includes both an implication that Vietnamese sovereignty has somehow been undercut, as well as some confusion over the possible withdrawal of US troops. The mission reports that the confusion is an apparent misinterpretation of the six-month withdrawal offer, [REDACTED]

[REDACTED] the Viet Cong are deliberately spreading the rumor that American troops will in fact depart within six months.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

X1 [redacted] a high-level Polish party visit to Hanoi before the end of November. The official reported in late October that such a trip was planned, apparently as part of a continuing Eastern European effort to broaden its ties with Hanoi. Hanoi has hosted a continuing stream of foreign Communist dignitaries since September.

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2. The forthcoming Polish visit will certainly allow the Poles to repledge support and solidarity with Hanoi--as all the other Communist visitors have done. At the same time, it will provide Warsaw with an opportunity to take a current reading of Hanoi's attitude on negotiations. Such soundings are especially likely if the director general of the Polish Foreign Ministry, Jerzy Michalowski--who visited Hanoi during last winter's US peace initiative--is included in the Polish delegation.

Hanoi Omits Chinese in Discussing "Volunteers"

3. A Nhan Dan article on 13 November, discussing socialist aid to North Vietnam, claimed that youth in the Soviet Union, North Korea, Poland, Bulgaria, East Germany, Hungary, Mongolia, Rumania, Czechoslovakia, and even Albania, had "volunteered to fight in Vietnam." Nhan Dan also mentioned assistance given by the Soviet Union, China, and other socialist countries. China was described as "our vast rear base." The omission of any mention of Chinese "volunteers" in these excerpts from the Nhan Dan article could be a reminder to Peking that the Chinese have only infrequently mentioned volunteers for Vietnam since last year.

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Overseas Chinese in North Vietnam Volunteering for Army

4. Hanoi's domestic service on 13 November claimed that "masses" of Chinese youths residing in Haiphong have volunteered to become "combatants" in the Vietnam People's Army. The broadcast "warmly acclaimed" Chinese youths residing in Haiphong, Hanoi, Hai Duong, and Nam Dinh for volunteering for the armed forces. Hanoi has only rarely in the past mentioned that local Chinese youths were volunteering for the army. However, the Chinese newspaper in Hanoi, Bao Tan Viet Hoa, has trumpeted it frequently. The Chinese population in North Vietnam in 1960 was about 175,000, roughly one percent of the total.

Front Official Did Not Forecast Establishment of A Government

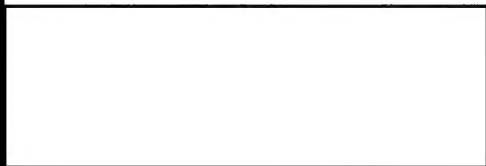
5. A Liberation Front official in Cairo, who reportedly said on 27 October that the Front intended soon to set up a government in South Vietnam, was apparently misquoted. The full text of the 27 October interview of Le Quang Chanh by the Cairo newspaper Gumhuriya strongly suggests that language difficulties generated considerable confusion over the issue of the establishment of a future Front government. According to the US Embassy's translation of the interview, the Front representative said that "in the future a federal government would be established representing all elements in South Vietnam regardless of religion, race, or political creed"--an apparent reference to the Front's willingness to join a coalition government in South Vietnam after hostilities cease. The questions and answers surrounding this statement indicate that the newspaper interviewer and Le Quang Chanh were mutually confused as to what kind of a government was under discussion.

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